



# PEFA

## Role of consistent assessment methodologies

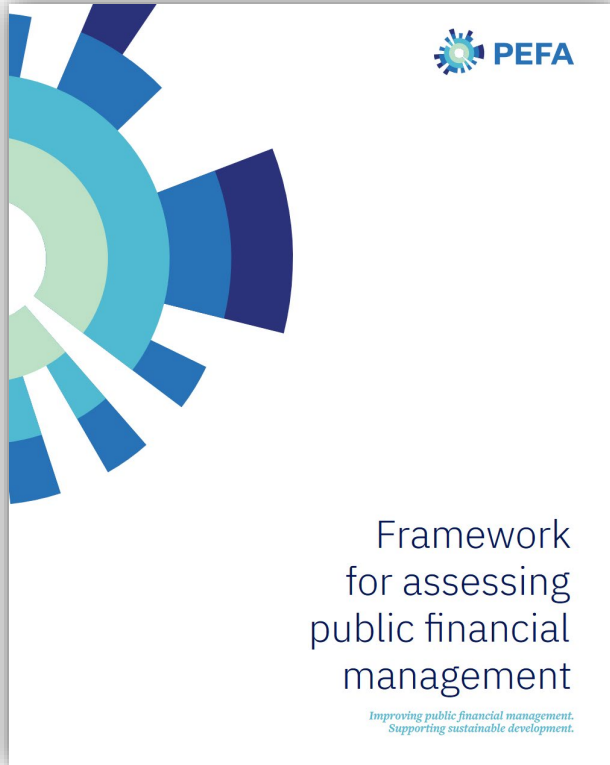
### PULSE: Is it a game-changer for Public Sector Accounting?

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[www.pefa.org](http://www.pefa.org)

#PEFA

# PEFA and PULSE Frameworks: Following similar approach



## EVIDENCE

Provides a thorough, consistent and evidence-based analysis of PFM performance at a specific point in time

## IMPACT

Assesses how PFM impacts on key budget outcomes: fiscal discipline, efficient resource allocation, efficient service delivery

## PFM REFORM

Establishes the foundation for analyzing and improving PFM

**PEFA does not assess government policies.**



## EVIDENCE

Provides an integrated assessment of PSA system performance, based on available evidence

## IMPACT

Assesses six pillars of performance of a transparent, efficient, and effective PSA system, providing information useful for decision making and focus on key measurable aspects of the PSA system.

## PFM REFORM

Established to scale up support of PFM reforms

# PEFA and PULSE Performance Assessment



## 3 OUTCOMES

Aggregate fiscal discipline, strategic allocation of resources, efficient service delivery

## 7 PILLARS



Budget Reliability



Transparency of public finances



Management of assets and liabilities



Policy-based fiscal strategy and budgeting



Predictability and control in budget execution



Accounting and reporting



External scrutiny and audit

## 31 INDICATORS

Performance indicators are spread out throughout the budget cycle and further disaggregated into:

## 94 DIMENSIONS



## 3 BENEFIT AREAS

Accountability, transparency, financial management

## 6 PILLARS



Public Sector Accounting Framework



Financial Assets & Liabilities



Non-financial assets and liabilities



Expenses & revenue recognition



Financial reporting & consolidation



Reform prerequisites and capacities

## 29 INDICATORS

Performance indicators for a transparent, effective and efficient PSA system, further disaggregated into:

## 102 DIMENSIONS

# PEFA and PULSE Cycles: 4 Phases and 10 Steps



## On average, a PEFA assessment:

- lasts between 9 and 12 months ; takes between 100 and 150 man-days ; costs between K\$ 150 and 200

## However, there is significant variations depending on whether:

- assessment is made by a team of consultants or by government staff, or a mix of both
- international consultants are involved in the assessment team
- assessment is standalone or part of a set of several subnational governments (unit cost ↘)

# PEFA Check and PULSE Check: Quality Assurance

Government : info accuracy & completeness, scores & conclusions reflect reality

PEFA Secretariat: PEFA Framework applied correctly

Other peer-reviewers: data & evidence credibility & reality



INDEXES HIGHER  
THAN 85%



INDEXES HIGHER  
THAN 75%

The PULSE methodology has been applied correctly

General scoring is evidenced

Current overall IPSAS adoption status and financial reporting basis are properly documented

Proposed recommendations and action plan are reasonable and feasible for implementation

# Why is consistent methodology important

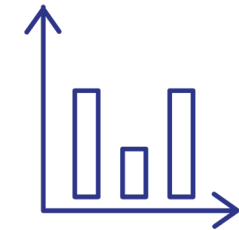


## Unique strengths of PULSE

Conceptual and Actual



Web based self assessment tool



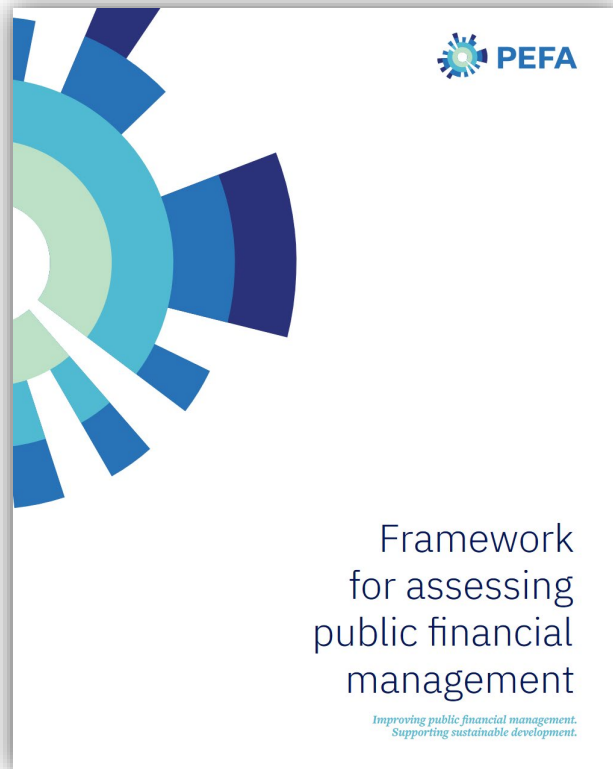
IPSAS framework and beyond (focus on accrual reforms)



Delivers value for money in implementation



# What we can Learn from PEFA Assessments about Financial Reporting?



## Pillar six Accounting and reporting

PI-27 Financial data integrity

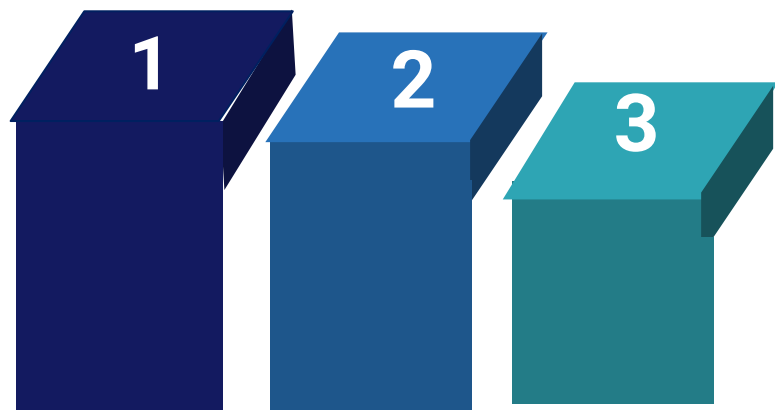
PI-28 In-year budget reports

PI-29 Annual financial reports

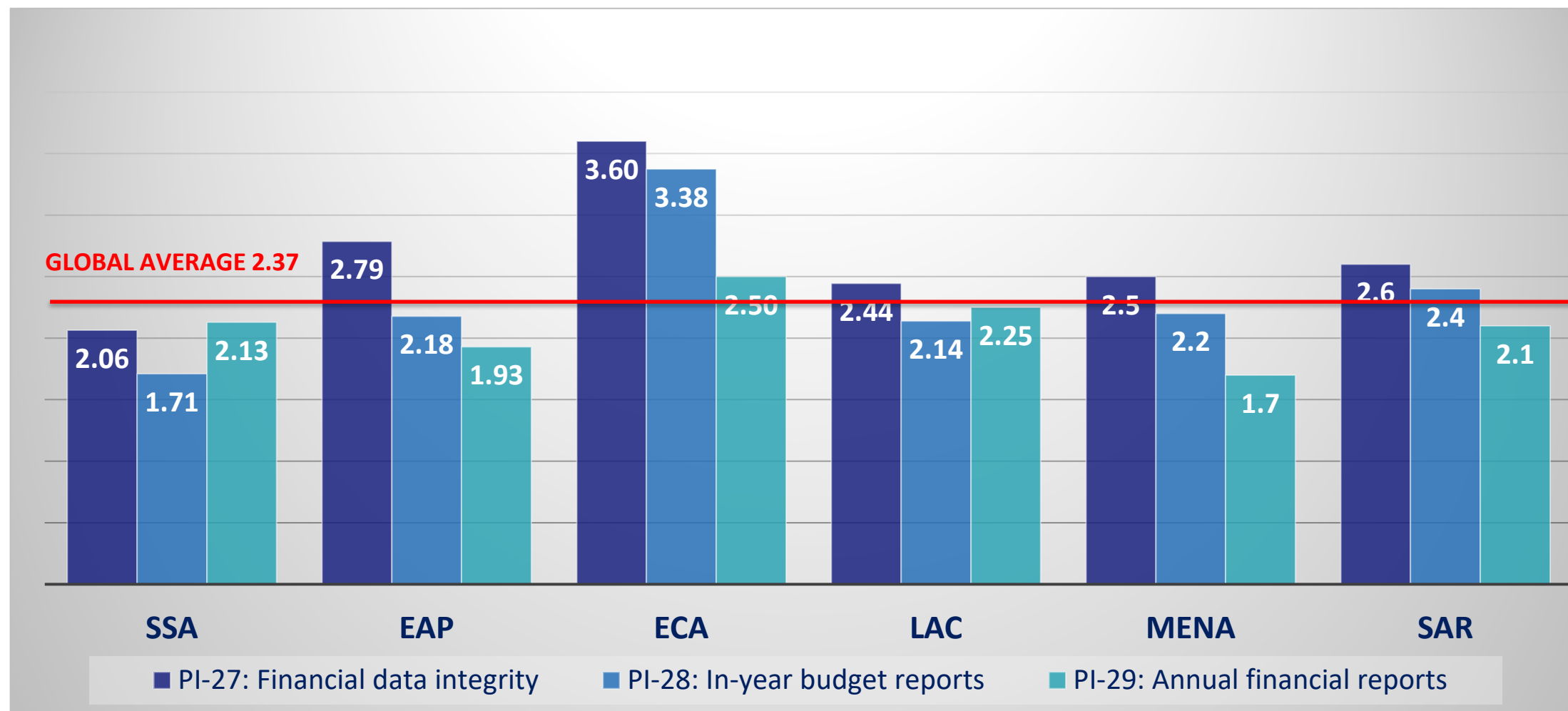


# PEFA Framework sets the following expectations on Annual Financial Reporting

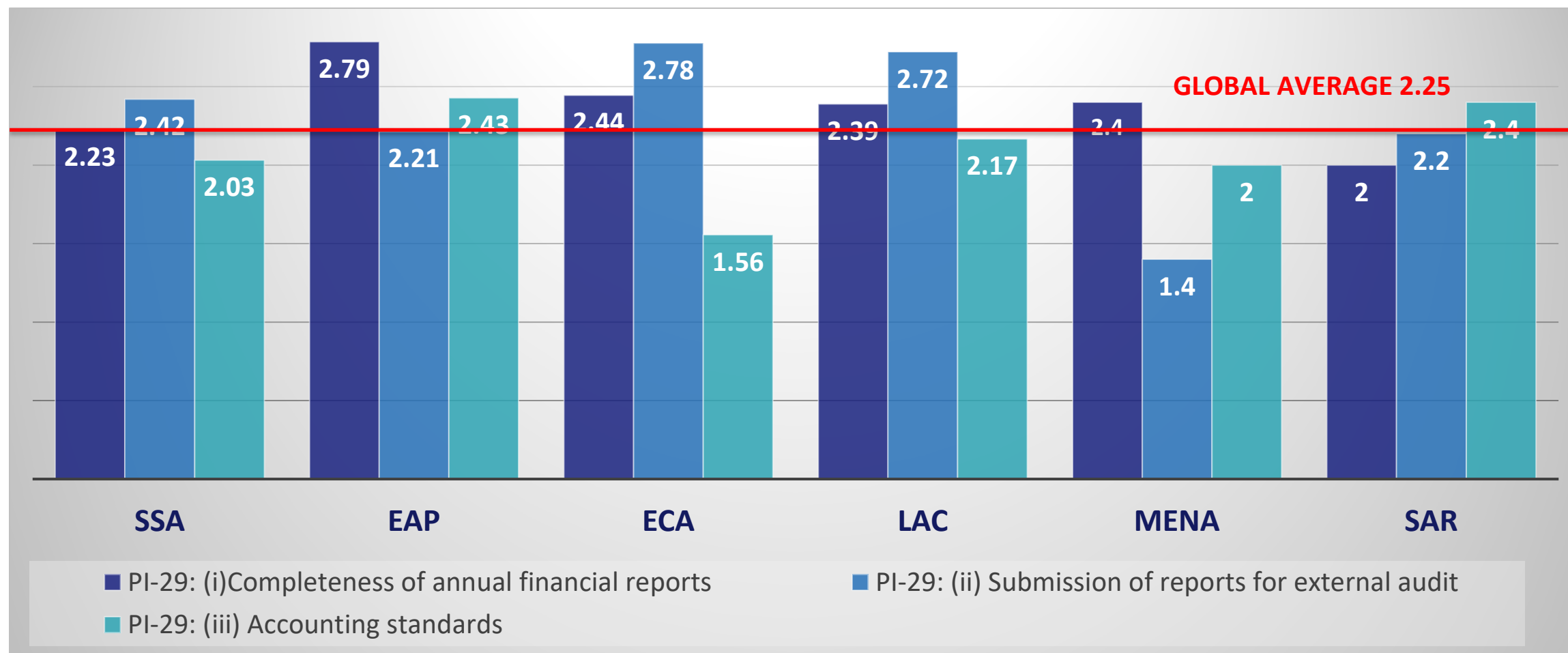
- **Annual Financial reports should be complete**
- **Financial reports for budgetary central government are submitted for external audit within 3 months of the end of the fiscal year.**
- **Accounting standards applied to all financial reports to be consistent with international standards**



# PEFA Pillar Six Indicators' Scores on Accounting and Reporting



# PEFA Indicator on Annual Financial Reporting



# Can PULSE be a gamechanger for Public Sector Accounting Reforms?



**A**

- Full Compliance with the respective requirements of the IPSAS standards

**B**

- High degree of compliance, but still certain gaps to the IPSAS requirements exist

**C**

- Basic level of performance, consistent with good international practices, aligned with what is established in the respective IPSAS for those indicators

**D**

- Feature being measured is nonexistent or presented at less than the basic level of performance

# Impact of applying Pulse that could improve the Public Sector Accounting Reforms

**1. Increased Awareness and knowledge sharing through peer exchange, knowledge transfer and regional cooperation**

**2. Improved laws/regulations through technical assistance and implementation support**

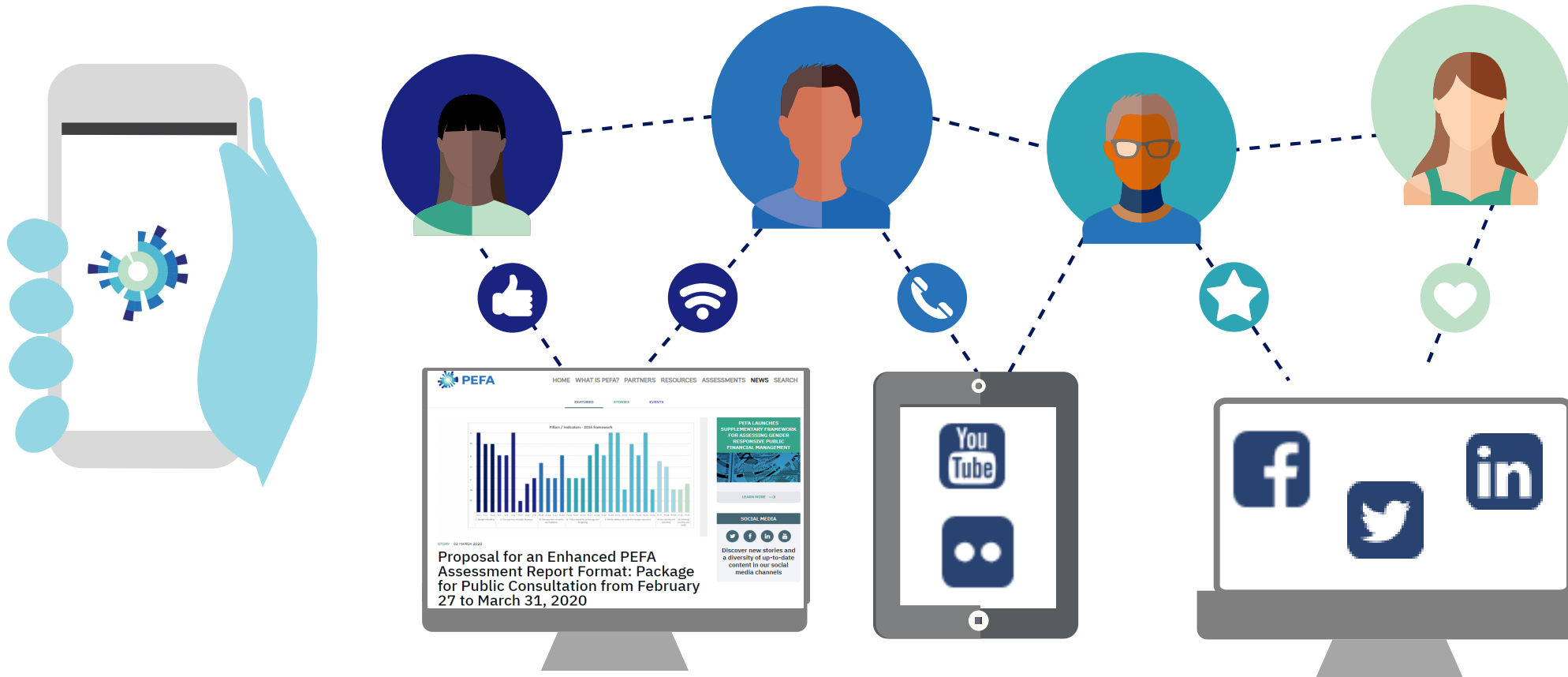
**3. Enhanced public sector financial reporting institutional arrangements and capacity developed in standard setting, quality control and implementation agreements**

**4. Better national processes to design, adopt, translate and disseminate standards and tools**

**5. Established training, education, certification and continuing professional development programs**

# Learn more about PEFA

[www.pefa.org](http://www.pefa.org)



Send us an email: [services@pefa.org](mailto:services@pefa.org)